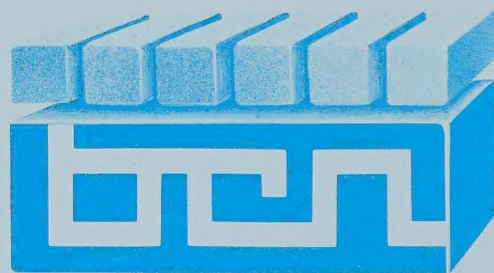
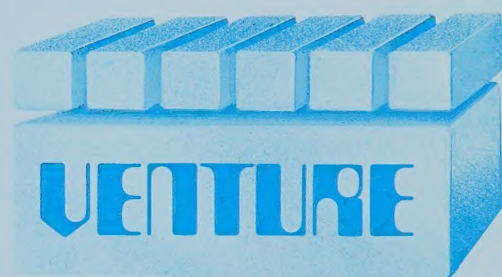


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102nd
annual report
1976
Bank
Canadian
National

Highlights

	1976	1975
Assets	\$5,674,756,636	\$4,871,970,541
Deposits	5,259,969,383	4,528,126,591
Loans	4,061,410,278	3,296,369,427
Balance of Revenue for the year	45,049,614	46,677,937
Balance of Revenue per share*	5.84	6.67
Net Profits for the year	17,801,714	16,157,307
Earnings per share*	2.31	2.31
Provisions for income taxes	17,507,378	16,347,594
Provision for income taxes as above, per share*	2.27	2.34
Dividends	8,344,657	7,210,000
Dividends per share	1.08	1.03
Capital (per share \$2.00)	15,989,949	14,000,000
Rest account	115,952,257	97,000,000
Rest account, per share	14.50	13.86
*Based on the weighted average month-end balance of paid shares	7,719,850	7,000,000

As at October 31, 1976, the BCN had 9,970 shareholders, 7,730 employees and 413 branches.

\$5,674,756,636



Assets 1976

\$4,871,970,541



Assets 1975



Address by Mr. Germain Perreault

Shortly before the end of the 1976 fiscal year, the Board of Directors accepted with regret the resignation of one of our colleagues, Mr. J.-Claude Hébert, who resigned for personal reasons. I would like to take this opportunity to express once more our sincere gratitude to Mr. J.-Claude Hébert for the seven years he served on our Board and the excellent relationship he maintained with the Bank during that period.

Those of you who attended our last Annual Meeting will no doubt recall my assurances to a lady in the audience that we would be happy to welcome a woman on the BCN Board of Directors as soon as an opportunity presented itself. Such an opportunity occurred with the vacancy left by Mr. J.-Claude Hébert, and I am pleased to extend a most cordial welcome to Mrs. Louise B. Vaillancourt, who has been a member of the Board since October 8. President of the Corporation of the Marie Enfant Hospital and a Director of Bell Canada and the Armand Frappier Institute, Mrs. Vaillancourt brings our Board a wealth of experience and skill which have already stood us in good stead.

At our meeting last year, I spoke to you at great length about inflation and about the attitude I thought it was most reasonable to take towards the measures the federal government had just introduced to combat this serious problem. On the whole, I hoped we would take an adult approach in following the new rules of the game and stop demanding more from our economy than it is able to provide.

Since then, a year has passed. What is the situation as it stands now? A glance at the international economic picture shows us that the problem of rising prices seems to have somewhat subsided in Canada as in most industrialized countries. In the United States, for example, the annual inflation rate has dropped from 8 per cent last year to a recently reported 5.5 per cent and it has dropped one per cent since last year in Japan and France. The improvement in Canada is even more substantial, with the rate of increase in the Consumer Price Index standing at 6.5 per cent last September, as compared to 10.6 per cent a year earlier.

These, of course, are encouraging figures, but it would be a serious mistake to conclude from them that inflation is under control in Canada or that our economy is in perfect working order.

What I would like to do today is give a brief survey of present economic conditions in Canada, singling out the serious problems and, perhaps, suggesting some of the elements needed in their solution. I shall close with a few thoughts I would like to share with you about the role of banks in our society.

It is clear that we have made progress in 1976 in fighting inflation in Canada. But the overall economic recovery has

been rather slow, and a certain stagnation in production levels has led to significant levels of unemployment, especially in Québec.

When announcing its anti-inflation measures, the federal government made it quite clear that these measures were temporary, to be applied for approximately three years. This period should be seen as providing a respite, during which we can search for the underlying causes of the problem. We will have to wait for these measures to be withdrawn before we can objectively evaluate the success of such a policy. Of course, if prices and wages renew their upward climb as soon as controls are removed, the anti-inflation measures will have served only to delay the inevitable, not to provide any remedy for the fundamental problems.

Everyone agrees that the theories which explain the phenomenon of inflation are complex, but I still think it is possible to summarize the essence of the problem in a single phrase: *living beyond one's means*.

The federal government recently made public a working paper which recognized that the rate at which government expenditures increased from 1970 to 1974 was not unrelated to the problem of inflation and that the main reason why expenditures increased was the unprecedented growth in transfer payments, that is, those sums the state allocates to its various social programs.

It is a fact that the number of social programs has been continuously increasing in Canada since the end of the Second World War and that the expenditures in this area have consistently exceeded estimates by a good deal. I think we all agree on the general principle of social programs, whose essential purpose is to provide all Canadians with living conditions which we consider reasonable. Nonetheless, we must be able to afford such programs, which are becoming increasingly expensive. A country cannot live beyond its means for very long any more than an individual can. It is the responsibility of all levels of government to carefully evaluate priorities and to turn down demands which are not really urgent and which Canadians cannot presently afford.

We must have the courage to say no to unjustified wage increases, just as we must have the courage to refuse excessive profits. And perhaps in this regard, the anti-inflation measures have the merit of getting Canadians accustomed to a degree of discipline unknown for the past thirty years. We must hope that governments, workers and the private sector will work together towards a better budgetary balance.

But let me repeat that reducing the rate of inflation alone will not solve all our economy's problems. I would remind you, for example, that in 1976 Canada and particularly Québec have witnessed the highest unemployment rates in the last 15 years. Some say that is the price we must pay to fight inflation, and to a certain extent, they are right. But there is nothing to keep us from removing, or at least trying to remove, certain sources

of this disturbing unemployment rate. I say disturbing because you know as well as I do that the predictions of Canadian economists for the first six months of 1977 are not very promising, and that if measures are not taken in the very short term, unemployment will increase even more during the winter months, reaching unacceptable levels.

Moreover, the federal government must reconsider the soundness of its monetary and fiscal policies. The progressive reduction in the rate of growth of the money supply, while keeping interest rates at high levels, has tended to slow down the economic recovery. Here we might note that the Bank of Canada is apparently aware of this problem, because three weeks ago it announced a half-point reduction in its discount rate. Still, the Canadian economy is not now operating at full capacity, and the unemployment rates clearly reflect this.

This means that if the federal government really intends to maintain its restrictive policies, there is an urgent need to seek a way of developing efficient programs to create permanent jobs, particularly by making investment in labor-intensive industry more attractive. There, to my mind, is an area where the government and the private sector would both benefit from immediate cooperation.

If we want a prosperous economy—and I think that is an essential requirement for our country's future—it is likewise imperative for business to be allowed to grow freely, so long as the rights of the community are strictly respected. Companies have obligations to their shareholders, their employees and their customers. And up to now, business has shown that it can fulfill its obligations to these three groups while playing its role as a front-line economic agent to the full.

The multiplication of Crown Corporations, the subsidies given to certain companies when appropriate fiscal measures would be much more positive, the too frequent recourse to "special laws" to settle labor conflicts, direct government control over profit margins needed to finance company growth, all these are signs of the weaknesses in the structure of our economy and of government's persistent temptation to intervene directly.

So let me repeat that it is urgent for a real dialogue to begin between the public and private sectors, so that responsibilities can be more equitably shared and so that there will be greater growth in the private sector, to give our economy the means to pay for the social programs we think we need.

And at the same time, I think it essential that we question, without further delay, the scope and the frequency of labor conflicts, particularly in Québec. The right to strike is part of our lifestyle, and no one can deny that in many cases it fulfills a real need. But the abuse of the right to strike in the public and parapublic sectors has given the unions a veritable stranglehold over the economy's performance. As things are today,

some workers can, if they choose, simply block communications in Canada, a near absurdity in a country as vast as ours where the need for communication means may be vital. Worse still is the way our hospitals and schools are allowed to close, causing harm to the health and education of our loved ones, while negotiations drag on about working conditions. It is no exaggeration to speak here of a grave lack of responsibility on the part of all, whether employers or employees, who are in this way endangering the lives of the ill and the future of a whole generation. Must we not seek as soon as possible some way to prevent labor disagreements from degenerating into open wars which cause suffering to thousands of people who have nothing to do with them?

In view of the lack of social responsibility shown by some labor leaders and the intransigence shown by some employers, all the necessary energy must be devoted to seeking out solutions which will be more equitable for both labor and management.

With the various labor conflicts resulting in ever higher wages, the frequent slow-downs and strikes we have experienced during the last few years have reduced productivity to a dangerously low level and undermined the competitive position of Canadian products on the world market. In view of the importance of exports to the Canadian economy, we must do something before this situation becomes truly alarming.

Likewise, it would be appropriate to redefine the very notion of profit, which has become the object of widespread abuse in spite of being part of the foundation of North American society.

It is too easy to forget that the wealth of Canada is generated by private enterprise and not the government. We have the good fortune to enjoy one of the highest standards of living in the world, and very few of us would readily give it up. But how many of those who denounce profit have considered for even a single moment what our country would be like without these profits they consider so offensive. Before calling them "offensive", they should first remember that the profits of Canadian companies have been artificially swollen by inflation during the last few years. When, for example, the value of a property is reassessed to reflect rapidly increasing market costs, a company appears to be richer than it really is. This is actually an accounting problem, one which must somehow be solved if we want to stop comparing apples with oranges and deflate that tiresome myth of excessive profits.

Properly reinvested profits are essential for our economy. Besides directly rewarding the shareholders, profits indirectly benefit the whole country through taxes, while allowing companies to expand and improve.

It is particularly important that this kind of growth be stimulated here in Québec, where business has seriously lagged behind in this respect. We often speak of the obsolete industrial structures in

the province, structures which depend far too heavily on low-productivity industries. Many Québec industries, once leaders in their fields, are now being overtaken by companies in other provinces or even other countries because of their inability to compete. Successive Québec governments have made efforts in this direction for the last fifteen years, but the hoped-for results have not been achieved, and I think one reason for this can be found in the lack of dialogue between the public and private sectors. Many essential reforms have failed because they were imposed without real consultation among those most affected by them.

It is thus important for Québec to draw up a well-planned industrial policy, one which will meet the challenge of modernizing our structures while fighting unemployment. The policy of purchasing "at home", recommended by the new Québec government, may be a first step in this direction, so long as it is supported by a sound and well-defined industrial policy and so long as competitive prices can be found here.

I would like to take this opportunity to wish success to the new team recently chosen by our population to govern Québec. There is no use in hiding the fact that this change of government constitutes a major political event in Québec. The newspapers of the world have devoted much space to it, and I hardly need add that no one will be indifferent to the events of the next four years. However, I would like to remind you that the Bank Canadian National has always played a leading socio-economic role in Québec for more than a hundred years, and we expect to continue to do so in the years to come. Our new government was elected democratically, and it is our duty to our shareholders, our staff and our customers to work with it as closely as possible, especially in its efforts to restore the health of the Québec economy. It is not an easy task which faces our newly elected government, in view of the present economic climate and the magnitude of the problems we have just outlined. Thus, it is more important than ever that each of us show good will in assuming our responsibilities.

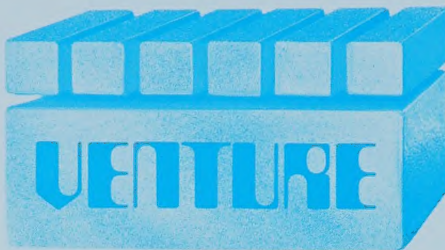
In a society like ours, chartered banks are a *leading* economic force. Obviously, our main responsibility is to play our role of financial intermediary with efficiency. We must also support efforts to industrialize and modernize our society. And finally we must adapt or create financial services that meet as fully as possible the real needs of our society.

Those, very briefly, are the responsibilities which the Bank Canadian National believes it bears in today's society. In view of our leading position on the Québec financial scene, we intend to continue to expand our cooperation with businessmen and our support to small and medium-size companies with an increasingly complete range of financial services and advice.

We also intend to continue to develop our international activities by solidly supporting our customers' export efforts in

all corners of the world and by increasingly participating in large-scale international transactions.

The future will be what we make of it. With this in mind, the Bank Canadian National looks to the new fiscal year with an optimism equal to its determination.





Remarks by Mr. Jacques Douville

It is my pleasure to provide for you today a general review of the financial statement of the Bank Canadian National for the fiscal year which ended on October 31, 1976.

Mr. Perreault will soon speak to you about some of the problems of the present-day Canadian economy. Nevertheless, I hope you will allow me to recall for you at this time some of the significant economic events of 1976, so that we can put the results achieved by the BCN during the year which has just closed in their proper context.

There can be no doubt that the most striking characteristic of 1976 for a great many countries including our own was the noticeable subsidence of the problem of inflation. This improvement, which all Western countries hoped for, seems to have finally put a halt to a problem which had become increasingly serious every year since 1970.

But parallel to the general decline of inflation rates have come serious drops in production and very high levels of unemployment in Canada and many other countries.

In Canada in particular, the recovery which began in 1975 was slow and hesitant, and the application of the anti-inflation measures affected the whole economic life of the country.

We hardly need mention, for example, that the restrictions on wages and profits imposed by the federal government caused both consumers and companies generally to show caution in their expenditures and consequently in their borrowings.

This resulted in a very evident slowdown in the increase in industrial production, which is the source of the high unemployment rates experienced at year's end.

Just as we predicted last year, 1976 appears to have been, generally speaking, a year of transition.

You will not be surprised to learn that these economic considerations had a strong influence on the operations of the Bank Canadian National as well as other Canadian banks and companies throughout the year. Two factors in particular deserve to be mentioned, because they affected more directly our results for the year. They are the federal government's restrictive monetary policy and the anti-inflation measures, whose first year of application we have just experienced.

In 1976, the chartered banks had to face much more intense competition for their customers' deposits at the same time as a freeze on service charges and certain delayed effects of the inflationary pressures of the last years.

Let me give you a few examples. Because of the increased competition for deposits, we had to raise the interest rates paid to depositors while the rates paid to us for our loans rose less perceptibly. It was thus inevitable that our profit margin was reduced. Likewise, the freeze on our service charges did not spare us certain cost increases, some of which had considerable impact

on operating expenses, whether these increases had already been decided on shortly before the anti-inflation measures went into effect or resulted from agreements made during previous years.

However, I am happy to announce that in spite of these contingencies, which made 1976 a rather difficult year economically, the Bank Canadian National succeeded in increasing by 2.5 per cent its balance of revenue after provision for taxes. The balance of revenue after provision for taxes amounted to \$24,539,614 at the end of the fiscal year, an increase of \$594,677 over last year's figures. This increase was made possible by a constant review of our management methods, a more rational use of our resources, and greater efficiency on the part of all our personnel.

Our total assets passed the five billion dollar mark early in the fiscal year, reaching \$5,674,756,636 on October 31 last, an increase of 16.5 per cent for the year, as compared to an increase of 18.1 per cent during 1975.

On the other hand, the growth in our volume of loans was slightly more rapid in 1976, posting a 23 per cent increase, compared to 21.8 per cent during the previous fiscal year. It is therefore justifiable to conclude that in spite of scarcely favorable economic conditions, we have succeeded in meeting the financing needs of our customers and in actively participating in the economic recovery which was slowly getting underway in Canada. It is also appropriate to mention here that foreign loans accounted for only 10.9 per cent of the total growth in our loans.

It is especially in the mortgage sector that our loans volume has most strongly increased. We have maintained our aggressive policy in this area in order to support the programs developed at various levels of government to solve the serious housing shortage. Our mortgage loans portfolio now exceeds one billion dollars, with a growth of 47.1 per cent during the fiscal year.

Because interest rates remained high throughout the year and the application of the anti-inflation measures significantly reduced expectations of substantial wage increases, consumers generally displayed uncertainty and caution during most of the year. This explains why our volume of consumer loans increased only by 13.9 per cent, compared to 26.6 per cent for the preceding year. On the other hand, our total of industrial and commercial loans grew by 21.2 per cent during the year, in spite of a rather slow economic recovery. No doubt some of the credit for this growth is due to the constant efforts of our Corporate Credit Development Department, which is continuously gaining new customers among small and medium-size companies.

A moment ago I mentioned that our international loans did not contribute more than 10.9 per cent of our total growth in loans during fiscal 1976. However, I would like to make it clear that we are very satisfied with the progress that has been made in foreign loans and

that we are justly proud of the dividends brought by the energy and human resources invested over the last four years in the complete reorganization of our International Division. As proof, let me just cite the contribution of our international operations to the Bank's balance of revenue, a contribution which has climbed from 11 per cent last year to 17 per cent at the end of this fiscal year.

Now let us see how the growth of \$834.8 million entered under "loans and advances due from banks" in 1976 was financed. First of all, we have continued to reduce the invested portion of our assets, by not renewing certain investments which have come due. This allowed us to convert some securities into loans for a total value of \$55.2 million. As far as deposits are concerned, we received \$265 million in Canadian currency and \$466.8 million in foreign currency. It is important to note that savings by individuals increased during the year by 14.1 per cent.

You will no doubt remember that last year we discussed the question of our capital base. I said then that our capitalization had reached a borderline ratio which had to be re-evaluated in line with our expansion policy. Early in fiscal 1976, our directors decided to modify the financial structure of the Bank in two distinct operations.

First of all, one million new shares were offered to our shareholders last December, in accordance with the stipulations of the Bank Act and at a price of \$11.50 per share. This issue was very successful, and the subscription of new shares, which are now fully paid-up, increased the shareholders' equity by \$11.5 million.

Secondly, the Bank Canadian National opened a new chapter in its history by launching an issue of debentures on the European market for the first time. These debentures, issued in London for a total amount of \$15,000,000, were very quickly subscribed to, and we believe that a larger issue would have met with an equally remarkable success. The limits imposed by the Bank Act, however, did not allow us to attempt it.

Our earnings for the year may be spectacular, but to evaluate them properly we must take into account the various economic factors which I mentioned at the very beginning of my remarks. It is very important to remember that the Bank was not spared the effects of certain inflationary pressures, even though the government measures were in effect during the whole fiscal year. If we consider the salaries paid to our personnel, for example, it is quite clear that the general salary review approved by the Board just a few weeks before the anti-inflation measures came into effect led to a considerable expense which nothing has offset since. Likewise, the renewal of a great many twenty-year-old leases caused a considerable increase in rents at many of our branches while the federal measures put serious limitations on our incomes.

We are therefore fairly satisfied with having succeeded in increasing our

after-tax balance of revenue by 2.5 per cent, despite a 20.7 per cent increase in our general operating expenses. Our net earnings per share have been maintained at last year's level, \$2.31, even though the weighted average of shares included 719,850 more shares than in 1975.

46.9 per cent of the profits were paid out to our shareholders, for a total of \$8.3 million, \$1.1 million more than the previous year. Our shareholders thus received a dividend of \$1.08 per share, as compared to \$1.03 in 1975.

Our undistributed profits bring our total shareholders' equity to \$132.4 million, or \$16.56 per share, an increase of 63 cents per share over last year.

During this fiscal year we added the sum of \$12 million to our accumulated appropriations for losses, and I am pleased to inform you that the Bank's capitalization has grown by \$479 million.

The figures I have just presented are doubtless useful as reference points for judging our institution's performance. But behind these figures are a number of achievements which cast a somewhat different light on our results, and I think that several of these are worth stressing.

At the beginning of 1976, the Bank Canadian National, along with six other Canadian banks, took a major step which I think eloquently illustrates its desire to adapt to new market conditions in a constant effort to better serve its customers. This step was the publishing of a code of advertising practice, which we have formally agreed to respect and which has been in effect since February 1st last.

Likewise, in order to provide our customers with a better service, we have continued our policy of expansion with the opening of fifteen new branches. Originally, nineteen new branches were to be added during fiscal 1976, but various factors, principally the Québec construction strike, have forced us to delay the opening of four of these. In 1977, we intend to open at least fifteen new branches, at strategic locations where the need for them is felt.

Our policy of expansion and of openness to the world has brought us to New York, where a BCN office will be operating in the first week of January, 1977. This was a major step, in view of New York's position on the international financial scene. In addition to Paris and London, the Bank Canadian National will now also be present in New York, monetary and financial centre of the world, and we will thus have access to the most important banking market in all of North America. Let me just mention here that, like our London office, the New York agency will not offer services directly to the public but rather will permanently ensure our presence in the very heart of the foreign exchange market of the United States and allow us to devote special attention to developing our business contacts with American companies with branches in Canada.

Those of you who often travel abroad know how practical it is to be able to use your Chargex card outside Canada. In order to increase even more the pop-

ularity and the acceptance of the card with the blue, white and gold bands in the 116 countries where it is used, Ibanco Ltd., the international corporation which includes the five Canadian banks affiliated to the Chargex system, has recently decided to give the card a universal name: Visa. This word has a meaning in many languages and will appear on the card starting next April, as well, of course, as the word Chargex and the name of the issuing bank. This will be the first step in a conversion which, we expect, will be completed by October 1st, 1979.

Chargex cardholders as well as member merchants will soon be advised of the details of this change, and the use of the new decals will start March 1st next.

As far as banking legislation is concerned, two important matters held our attention in 1976: the White Paper on Canadian banking legislation and the Borrowers and Depositors Protection Bill. I would like to give you a very brief summary of our views on these two documents.

The White Paper on Canadian banking legislation constitutes a very important step in the revision of the Bank Act because it contains all the changes the federal government intends to make in this Act, whose new version is expected to be promulgated at the beginning of next July. We were particularly happy to see that the federal Minister of Finance took into account, when writing his White Paper, a great number of the recommendations from the brief submitted by the Canadian Bankers' Association. We are particularly pleased with the philosophy which underlies the whole White Paper, namely that as much competition as possible is to be encouraged among Canada's financial institutions.

But the satisfaction with which we have welcomed most of the recommendations in the White Paper on banking legislation does not keep us from questioning certain points which we believe may cause problems sooner or later. Our concern is particularly directed to the regulations which will control the establishment and operation of foreign banks in Canada, to certain proposed changes in the payment system, and to the discretion given to the Minister of Finance and the Governor-General in Council to rule on relatively important questions.

We are confident that the federal government will consider our comments on certain aspects of the White Paper and that the new Bank Act will allow us to meet the real needs of the Canadian People even more effectively.

Our reaction to the Borrowers and Depositors Protection Bill is, to a much larger extent, a mixed reaction. The basic concern behind this bill, the protection of borrowers and depositors against certain abuses, is quite praiseworthy. But in our opinion it should be possible to protect the population against shylocking without imposing controls of such complexity on legitimate lenders that they will inevitably lead to prohibitive costs which will ultimately be

borne by the population. It is reasonable to ask who really benefits from such measures. The banks are already subject to many controls, in addition to the restrictions they have imposed upon themselves, in their code of advertising practice, for example. We therefore think it would be appropriate to take another very close look at the Borrowers and Depositors Protection Bill, so that it can become a real means of protection without creating unnecessary problems.

All in all, we hope that by allowing us to serve our customers better with the services the new Bank Act will likely allow us to offer, the federal government will not at the same time impose upon us restrictions whose complexity would force us to either slow down our service or increase our costs.

I would also like to take this opportunity to pay special tribute to the whole staff of our institution for the job it has succeeded in doing this past year in spite of the many difficulties stemming from the economic situation in Québec and in Canada as a whole. This past year, everyone had to make special efforts, and we found this general cooperation extremely precious. And since we are speaking of the Bank's personnel please allow me to mention certain changes which have occurred among our Executive Officers during the fiscal year. First, two of our Assistant General Managers, Messrs. André Tremblay and R.-Valmore Delisle, have left us due to retirement, and Mr. Yvon Beaupré was appointed Assistant General Manager and assigned to

manage our main branch. Three other Assistant General Managers were also appointed during the year. They are Mr. Yvan Desjardins, who is also Secretary General of the Bank, and Messrs. Claude Dieumegarde and Pierre Genêt, who are responsible for the investments division and the international division respectively. It is a pleasure for me to wish them all, on your behalf, much success in the exercise of their new responsibilities.

This, then, is the broad outline of the BCN's activities during 1976. Economic projections all indicate that 1977 is likely to be rather like the year just closed: weak economic growth, a lower inflation rate and a sustained high level of unemployment. This means that the rate of growth of the Canadian economy may be slightly weaker in 1977, while it will be somewhat more rapid in the United States and many other countries, which will lead to growth in Canada's foreign trade and an improvement in our balance of payments. As far as short-term interest rates are concerned, we think that the monetary authorities will want to study the impact of the recent lowering of the Central Bank's discount rate before readjusting the current interest rates in Canada. It is therefore reasonable to expect that consumers will continue to show moderation and caution, considering that the anti-inflation measures are still in effect.

In this context, the BCN is reasonably optimistic and expects that the results of this year will be better than those of fiscal 1976.



102nd
annual statement
(1976)



Statement of revenue, expenses and undivided profits

FOR THE FINANCIAL YEAR ENDED OCTOBER 31

1976

1975

Revenue

From loans	\$410,162,564	\$333,014,918
From securities	60,809,255	59,797,240
Other operating revenue	27,439,895	31,075,178
Total revenue	498,411,714	423,887,336

Expenses

Interest on deposits and bank debentures	308,367,752	257,032,239
Salaries, pension contributions and other staff benefits	86,602,282	70,507,503
Property expenses, including depreciation	20,612,535	17,087,672
Other operating expenses, including provision for losses on loans based on five-year average loss experience	37,779,531	32,581,985
Total expenses	453,362,100	377,209,399
Balance of revenue	45,049,614	46,677,937
Provision for income taxes relating thereto (Note 3)	20,510,000	22,733,000
Balance of revenue after provision for income taxes	24,539,614	23,944,937
Appropriation for losses	6,737,900	7,787,630
Balance of profits for the year	17,801,714	16,157,307
Dividends	8,344,657	7,210,000
	9,457,057	8,947,307
Undivided profits at beginning of year	503,897	556,590
	9,960,954	9,503,897
Transferred to rest account	9,500,000	9,000,000
Undivided profits at end of year	\$ 460,954	\$ 503,897

See Notes to the Financial Statements.

Statement of accumulated appropriations for losses

FOR THE FINANCIAL YEAR ENDED OCTOBER 31

	1976	1975
Accumulated appropriations at beginning of year :		
General	\$ 37,016,443	\$ 29,280,178
Tax-paid	3,939,987	2,791,1571
Total	<u>40,956,430</u>	<u>32,071,335</u>
Additions (deductions) during year :		
Appropriation from current year's operations	6,737,900	7,787,630
Loss experience on loans less provision included in other operating expenses.	1,497,823	(7,086,003)
Profits and losses on securities, including provisions to reduce securities other than those of Canada and a province to values not exceeding market	1,911,902	2,798,871
Other profits, losses and non-recurring items, net	(1,136,397)	(1,000,809)
Provision for income taxes, including credit of \$3,034,710 (1975—\$6,428,670) related to appropriation from current year's operations (Note 3)	3,002,622	6,385,406
	<u>12,013,850</u>	<u>8,885,095</u>
Accumulated appropriations at end of year :		
General	45,367,850	37,016,443
Tax-paid	7,602,430	3,939,987
Total	<u>\$ 52,970,280</u>	<u>\$ 40,956,430</u>

Statement of rest account

FOR THE FINANCIAL YEAR ENDED OCTOBER 31

	1976	1975
Balance at beginning of year	\$ 97,000,000	\$ 88,000,000
Transferred from undivided profits.	9,500,000	9,000,000
Premium received on capital stock subscriptions (Note 4).	9,452,257	—
Balance at end of year	<u>\$115,952,257</u>	<u>\$ 97,000,000</u>

See Notes to the Financial Statements.



Bank Canadian National
Notes to the Financial Statements
October 31, 1976

Note 1

The Statement of Assets and Liabilities includes the assets and liabilities of Banque Canadienne Nationale (Europe). Net profits for the current year of this wholly owned subsidiary have been included in tax-paid appropriations for losses.

Note 2

Debentures issued and outstanding include:

\$20,000,000 maturing March 1, 1992—7¼% up to and including February 28, 1978, and 7½% thereafter, redeemable on March 1, 1978, if the holder so elects, provided that this option is exercised between March 1, 1977, and September 1, 1977.

\$25,000,000 maturing December 15, 1987—7½% redeemable on June 15, 1979, if the holder so elects, provided that this option is exercised between June 15, 1978, and December 15, 1978.

\$15,000,000 maturing April 15, 1982—9¼% redeemable on or after April 15, 1981, if the issuer so elects.

Note 3

Provision for income taxes is included in the financial statements as follows:

	1976	1975
Statement of revenue, expenses and undivided profits	\$20,510,000	\$22,733,000
Statement of accumulated appropriations for losses:		
Related to tax deductible appropriations	(3,034,710)	(6,428,670)
Related to taxable capital gains	32,088	43,264
	<u>\$17,507,378</u>	<u>\$16,347,594</u>

Note 4

During January 1976, the shareholders of the Bank were invited to subscribe to 1,000,000 additional shares on the basis of one new share at \$11.50 for every seven shares held, payable in cash or in ten instalments. As at October 31, 1976, details of the issue were as follows:

	Number of shares	Capital paid up	Rest Account
Fully paid	951,768	\$1,903,536	\$9,041,796
Partly paid	48,232	86,413	410,461
	<u>1,000,000</u>	<u>\$1,989,949</u>	<u>\$9,452,257</u>

When shares subscribed to by instalments will be fully paid on November 29, 1976, the Capital Stock and Rest Account will amount to \$16,000,000 and \$116,000,000 respectively and the number of shares issued and fully paid will be 8,000,000 (1975: 7,000,000).

Note 5

The Bank is subject to the Anti-Inflation Act, in effect since October 14, 1975, restraining profit margins, prices, employee earnings and shareholders dividends. To the best of its knowledge the Bank complies with the restrictions of this Act.

Germain Perreault

President and Chief Executive Officer

Jacques Douville

Executive Vice-President and Chief General Manager

Auditors' report to the shareholders

We have examined the statement of assets and liabilities of Bank Canadian National as at October 31, 1976 and the statements of its revenue, expenses and undivided profits, accumulated appropriations for losses and rest account for the financial year ended on that date. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, these financial statements present fairly the financial position of the Bank as at October 31, 1976 and its revenue, expenses, undivided profits, accumulated appropriations for losses and its rest account for the financial year ended on that date.

Auditors

ANDRÉ G. COUPAL, C.A.

of Peat, Marwick, Mitchell & Co.

J.E. MAHEU, C.A.

of Maheu, Noiseux & Associés

Montréal, November 23, 1976.

Compagnie Immobilière BCN Ltée

STATEMENT OF ASSETS AND LIABILITIES AS AT OCTOBER 31

	1976	1975
Assets		
Cash in bank	\$ 722	\$ 300
Income taxes and interest to be recovered	51,245	48,494
Real estate and rights in an emphyteutic lease, less depreciation	3,280,956	3,327,000
	<u>\$3,332,923</u>	<u>\$3,376,794</u>
Liabilities		
Loan from Bank Canadian National	\$ 933,000	\$1,027,000
Shareholders' Equity		
Capital stock authorized and issued: 20,000 shares of \$100 each	2,000,000	2,000,000
Undivided profits	399,923	349,707
	<u>\$3,332,923</u>	<u>\$3,376,707</u>

Notes:

1. Bank Canadian National owns the entire capital stock of Compagnie Immobilière BCN Ltée, with the exception of the directors' qualifying shares. This investment is carried on the books of the Bank at \$1,999,500.
2. The Company received assessments for income taxes for the years 1967 and 1968 but its appeal was upheld by the Federal Court of Appeal. The Department of National Revenue, Taxation, obtained permission to lodge an appeal before the Supreme Court of Canada.

Auditors' Report to the Shareholders of Bank Canadian National

We have examined the statement of assets and liabilities of Compagnie Immobilière BCN Ltée as at October 31, 1976. Our examination included a general review of the accounting procedures and such tests of accounting records and other supporting evidence as we considered necessary in the circumstances.

In our opinion, this statement presents fairly the financial position of the company as at October 31, 1976.

Auditors

André G. Coupal, C.A. of Peat, Marwick, Mitchell & Co.

J. E. Maheu, C.A. of Maheu, Noiseux & Associés

Montréal, November 23, 1976.

	1976	1975
Liabilities		
Deposits		
By Canada	\$ 99,934,498	\$ 58,635,799
By provinces	11,141,118	52,530,036
By banks	504,981,007	564,765,347
Personal savings payable after notice, in Canada, in Canadian currency	2,117,189,263	1,855,174,003
Other deposits payable on demand and after notice	2,526,723,497	1,997,021,406
	<u>5,259,969,383</u>	<u>4,528,126,591</u>
Acceptances, guarantees and letters of credit	156,824,136	137,613,492
Other liabilities	12,589,677	8,770,131
Accumulated appropriations for losses	52,970,280	40,956,430
Debentures issued and outstanding (Note 2)	60,000,000	45,000,000
Shareholders' equity		
Capitol Stock		
Authorized: 12,500,000 shares of \$2.00 each		
Paid (Note 4)	15,989,949	14,000,000
Rest account (Note 4)	115,952,257	97,000,000
Undivided profits	460,954	503,897
	<u>\$5,674,756,636</u>	<u>\$4,871,970,541</u>



Record of Proceedings at the 102nd Annual General Meeting of the shareholders

Record of proceedings at the one hundred and second Annual General Meeting of the shareholders, held at the Queen Elizabeth Hotel, 900 Dorchester Boulevard West, Montréal, on Thursday, December Ninth, nineteen hundred and seventy-six at 3:00 p.m.

It was moved by Mr. Wilbrod Bherer, seconded by Mr. Roger Larose, and resolved that Messrs. Louis Hébert and Yvan Desjardins act respectively as Chairman and Secretary of the meeting and that Mr. Denys Pelletier and Mrs. Thérèse D. Quintal be appointed as scrutineers.

The Chairman welcomed the shareholders and declared the meeting open. The Secretary read the notice calling the shareholders' meeting as published in the newspapers, in accordance with the provisions of the law, and then read certificates attesting that the following documents had been forwarded to every shareholder within the prescribed time: (a) Notice of Meeting; (b) Proxy form; (c) Record of attendance of Directors at Board meetings; and (d) Copy of the Record of Proceedings at the Annual General Meeting held on December 11, 1975.

The Record of Proceedings at the one hundred and first Annual General Meeting having been mailed to all the shareholders, as attested by the certificate just read, it was moved by Mrs. Thérèse Vaillancourt, seconded by Mr. André-A. Audette, and unanimously resolved that this Record of Proceedings be taken as read and be confirmed.

The Chairman then called upon the Executive Vice-President and Chief General Manager, Mr. Jacques Douville, to read the one hundred and second Annual Report of the Board of Directors.

Remarks by the Executive Vice-President and Chief General Manager

(For Mr. Douville's text, see page 9.)

Address by the President of the Bank and Chief Executive Officer

(For Mr. Perreault's text, see page 5.)

After the Chairman had invited comments from the shareholders, Mr. Léopold Bernier, seconded by Mrs. Agathe Hébert, moved that the shareholders approve the one hundred and second Annual Report of the Board of Directors as submitted and read.

This motion was carried unanimously.

It was moved by Mr. Lucien Grandmont, seconded by Mr. René Dupuis, that the shareholders record their satisfaction with the results of the last financial year by extending their sincere congratulations to the Board of Directors and expressing their warmest thanks to the Executive Vice-President and Chief General Manager, Mr. Jacques Douville, and to all the devoted members of his staff.

This motion having been unanimously approved, Mr. Germain Perreault, on behalf of the Board of Directors, and Mr. Douville, speaking for himself and for the Bank's employees, thanked those who had moved and seconded this motion and all the assembled shareholders.

The scrutineers reported that 739,620 shares were present and that 4,010,231 were represented by proxy at the meeting, for a total of 4,749,851 shares, representing 59.37% of the total capital stock and 69.50% of the voting shares.

Upon the motion of Mr. Roberto Vocisano, seconded by Mr. J.-Guy Décarie, Mr. André Coupal, C.A., and Mr. J. Émile Maheu, C.A., were appointed auditors for the financial year ending October 31, 1977, and their remuneration, which is to be divided between them according to the time devoted by each to the affairs of the Bank, must not exceed a total of \$92,000.00.

It was moved by Mrs. Maurice Forget, seconded by Mr. Maurice De Palma: That Mr. Germain Perreault, or any other Director the Board may appoint, be authorized to act as attorney or proxy of the Bank Canadian National, with power of substitution, at any and all meetings of the shareholders of Banque Canadienne Nationale (Europe) and of the Compagnie Immobilière BCN Ltée.

This motion was carried unanimously.

Mr. Claude Séguin, seconded by Mrs. Suzanne Laurendeau moved: That the shareholders whose names follow be elected Directors of the Bank and that one ballot evidencing the decision of the meeting be cast:

Mr. MICHEL BARIBEAU
Mr. J.-JACQUES BEAUCHEMIN
Mr. LAURENT BEAUDOIN
Mr. RHÉAL BÉLISLE
Mr. WILBROD BHERER
Mr. ANDRÉ CHARRON
Mr. JEAN CHARTON
Mr. GEORGES-O. CLERMONT
Mr. ROBER DeSERRES
Mr. MARC-H. DHAVERNAS
Mr. JACQUES DOUVILLE
Mr. LOUIS HÉBERT
Mr. JACQUES LAGASSÉ
Mr. ROGER LAROSE
Mr. ANDRÉ LATREILLE
Mr. CHARLES-E. MARQUIS
Mr. J.-ROBERT OUIMET
Mr. GERMAIN PERREAULT
Mr. JEAN-MARIE POITRAS
Mr. GUY ST-GERMAIN
Mr. RENAULT ST-LAURENT
Mr. ROBERT M. SCHMON
Mr. ALFRED TOURIGNY
Mrs. LOUISE B. VAILLANCOURT

The motion having been carried unanimously, the scrutineers received the ballot from the Secretary and presented the following report:

"The undersigned, scrutineers at the one hundred and second Annual General Meeting of the shareholders of the Bank Canadian National, held at the Queen Elizabeth Hotel Montréal, on December 9, 1976, declare that they have examined the ballot which was handed to them and that the shareholders who were nominated have been elected Directors of the Bank."

SIGNED AT MONTRÉAL,
this Ninth day of December,
Nineteen hundred and seventy-six.

THÉRÈSE D. QUINTAL
DENYS PELLETIER

This report having been unanimously confirmed, the meeting was then terminated.

At a meeting of the Board of Directors held immediately after the shareholders' meeting, Mr. Louis Hébert was elected Chairman of the Board, Mr. Germain Perreault was elected President of the Bank and Chief Executive Officer and Messrs. Wilbrod Bherer, Jacques Douville and Roger Larose were elected Vice-Presidents.

Statement of assets and liabilities

AS AT OCTOBER 31

1976

1975

Assets

Cash Resources

Cash and due from banks	\$ 600,832,846	\$ 554,131,660
Cheques and other items in transit, net	59,933,855	38,492,017
	<u>660,766,701</u>	<u>592,623,677</u>

Securities

Issued or guaranteed by Canada, at amortized value	448,500,527	439,749,312
Issued or guaranteed by provinces, at amortized value	93,577,353	116,407,385
Other securities, not exceeding market value	206,777,756	247,900,245
	<u>748,855,636</u>	<u>804,056,942</u>

Loans

Day, call and short loans to investment dealers and brokers, secured	64,829,184	58,405,150
Other loans, including mortgages, less provision for losses	3,996,581,094	3,237,964,277
	<u>4,061,410,278</u>	<u>3,296,369,427</u>

Bank premises at cost, less depreciation	41,748,606	36,112,820
Securities of and loans to a corporation controlled by the Bank	2,932,500	3,026,500
Customers' liability under acceptances, guarantees and letters of credit, as per contra	156,824,136	137,613,492
Other assets	2,218,779	2,167,683
	<u>\$5,674,756,636</u>	<u>\$4,871,970,541</u>

See Notes to the Financial Statements.

A decade of progress: ten years of evolution for Bank Canadian National



Statistics for the past 10 years

(IN THOUSANDS OF DOLLARS)

Revenue, Expenses and Undivided Profits

	1976	1975	1974
Revenue			
Income from loans	410,163	333,015	269,911
Income from securities	60,809	59,797	53,207
Other operating revenue	27,440	31,075	26,261
Total revenue	498,412	423,887	349,379
Expenses			
Interest on deposit and bank debentures	308,368	257,032	219,464
Salaries and other fringe benefits	86,602	70,507	55,364
Property expenses, etc.	20,613	17,088	13,607
Other operating expenses	37,779	32,582	23,927
Total expenses	453,362	377,209	312,362
Balance of revenue	45,050	46,678	37,017
Provision for income taxes relating thereto (1)	20,510	22,733	18,760
Balance of revenue after taxes	24,540	23,945	18,257
Appropriation for losses	6,738	7,788	5,268
Net profits	17,802	16,157	12,989
Dividends	8,345	7,210	6,860
Amount carried forward	9,457	8,947	6,129
Undivided profits at beginning of year	504	557	428
Transfer from accumulated appropriations for losses	—	—	—
	9,961	9,504	6,557
Transferred to rest account	9,500	9,000	6,000
Undivided profits at end of year	461	504	557
Additional Information			
Number of shares (in units)	7,719,850 ⁽²⁾	7,000,000	7,000,000
Earnings per share (in dollars)	2.31	2.31	1.86
Dividends per share (in dollars)	1.08	1.03	0.98
Rest account per share (in dollars)	15.02	13.86	12.57

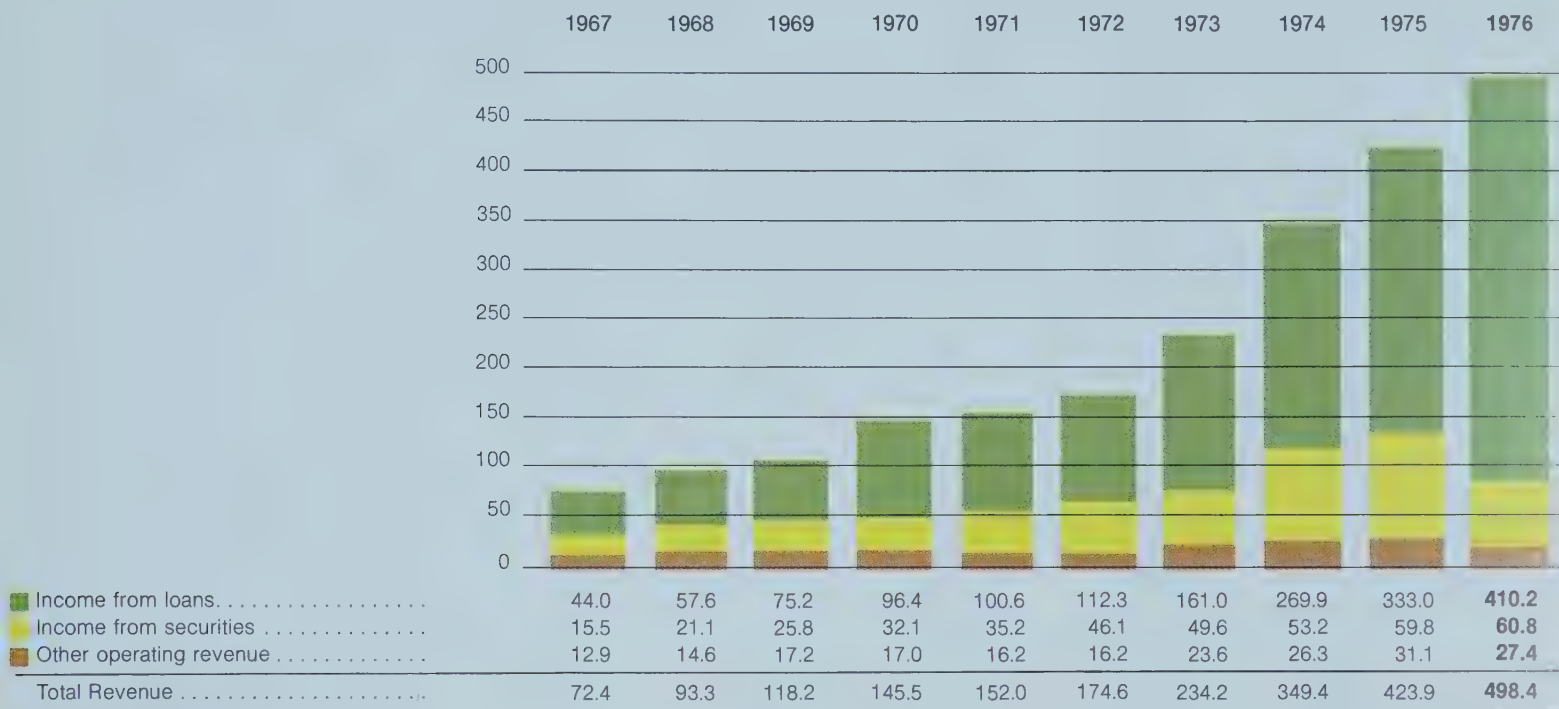
1) Figures have been restated in conformity with the amendment to the Bank Act made effective on October 30, 1973.

2) Weighted average of shares.

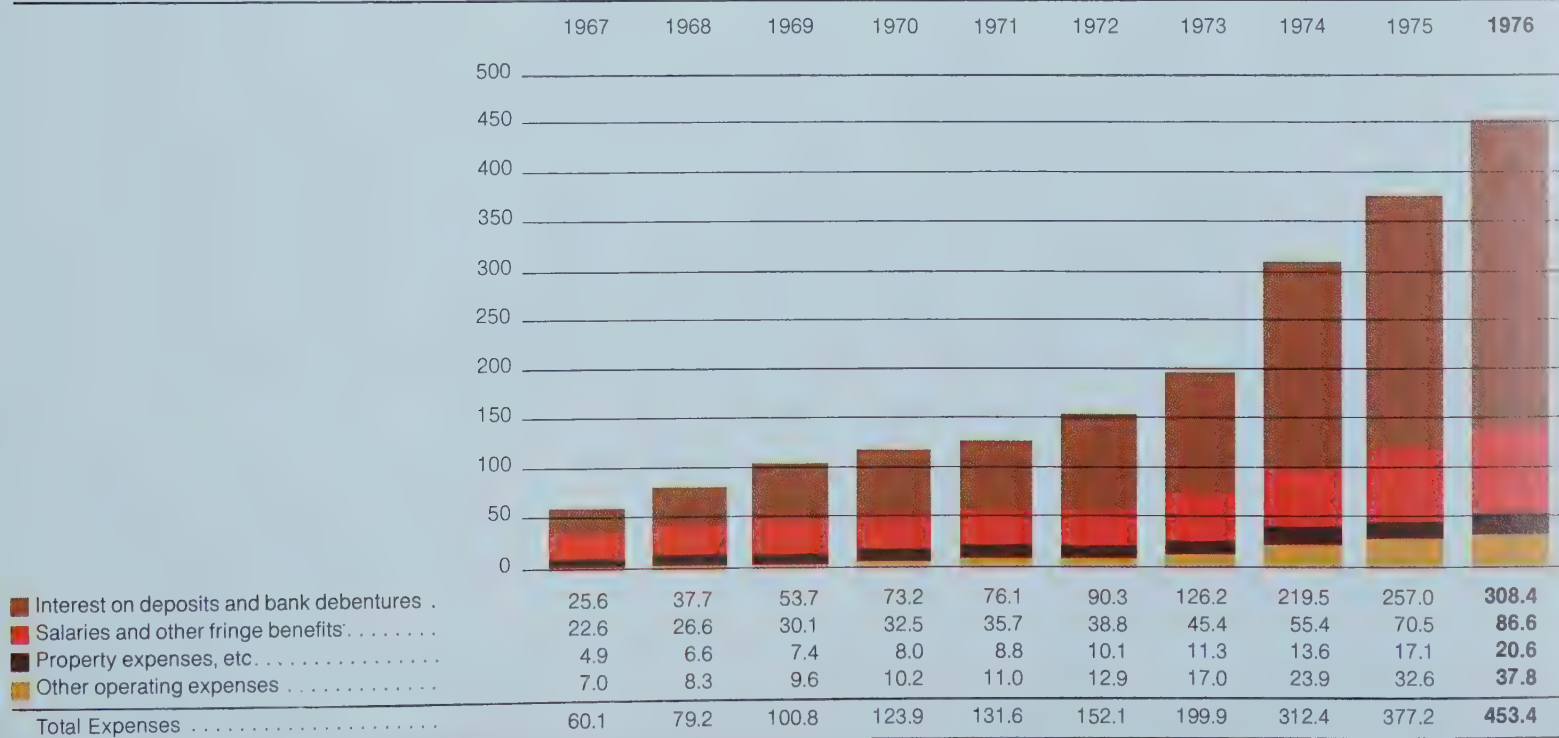
1973	1972	1971	1970	1969	1968	1967
161,030	112,280	100,644	96,406	75,177	57,614	43,986
49,632	46,113	35,188	32,159	25,805	21,122	15,499
23,538	16,214	16,227	16,964	17,218	14,626	12,900
234,200	174,607	152,059	145,529	118,200	93,362	72,385
126,221	90,330	76,145	73,239	53,679	37,680	25,642
45,459	38,834	35,703	32,503	30,060	26,563	22,552
11,268	10,126	8,843	7,998	7,422	6,645	4,922
16,968	12,864	10,996	10,236	9,590	8,393	7,004
199,916	152,154	131,687	123,976	100,751	79,281	60,120
34,284	22,453	20,372	21,553	17,449	14,081	12,265
16,871	10,635	10,387	11,331	9,154	7,422	6,381
17,413	11,818	9,985	10,222	8,295	6,659	5,884
4,940	3,602	2,890	3,587	2,563	1,639	1,248
12,473	8,216	7,095	6,635	5,732	5,020	4,636
6,160	5,599	4,671	4,320	3,960	3,480	3,180
6,313	2,617	2,424	2,315	1,772	1,540	1,456
115	498	1,074	759	987	447	991
—	8,000	—	—	—	—	—
6,428	11,115	3,498	3,074	2,759	1,987	2,447
6,000	11,000	3,000	2,000	2,000	1,000	2,000
428	115	498	1,074	759	987	447
7,000,000	6,998,936 ⁽²⁾	6,564,703 ⁽²⁾	6,000,000	6,000,000	6,000,000	6,000,000
1.78	1.17	1.08	1.11	0.96	0.84	0.77
0.88	0.80	0.72	0.72	0.66	0.58	0.53
11.71	10.86	9.89	9.00	8.67	8.33	8.17

1973	1972	1971	1970	1969	1968	1967
309,272	284,844	273,090	249,789	175,922	141,345	142,574
706,797	754,193	686,327	496,474	415,174	409,493	332,878
2,199,224	1,539,873	1,215,458	1,073,895	998,105	832,980	736,259
26,293	23,408	21,737	20,719	19,248	18,181	14,366
56,149	77,120	77,099	62,246	56,551	5,035	4,658
5,096	7,132	7,156	4,855	6,625	4,484	4,343
3,302,831	2,686,570	2,280,867	1,907,978	1,671,625	1,411,518	1,235,078
3,059,237	2,463,408	2,088,215	1,748,704	1,518,148	1,314,898	1,144,053
56,149	77,120	77,099	62,246	56,551	5,035	4,658
9,633	2,745	2,106	3,302	5,421	2,810	3,043
36,384	33,182	34,077	26,652	26,746	25,788	21,877
45,000	20,000	—	—	—	—	—
96,428	90,115	79,370	67,074	64,759	62,987	61,447
3,302,831	2,686,570	2,280,867	1,907,978	1,671,625	1,411,518	1,235,078
33,182	34,077	26,652	26,746	25,788	21,877	20,205
4,940	3,602	2,890	3,587	2,563	1,639	1,248
(2,448)	(624)	(855)	(373)	99	585	157
(3,395)	(491)	4,001	(3,307)	(2,508)	(212)	(1,145)
(890)	1,462	(62)	(1)	804	38	60
4,995	3,156	1,451	—	—	1,861	1,352
—	(8,000)	—	—	—	—	—
3,202	(895)	7,425	(94)	958	3,911	1,672
30,221	26,794	22,050	16,026	19,429	21,772	17,997
6,163	6,388	12,027	10,626	7,317	4,016	3,880
36,384	33,182	34,077	26,652	26,746	25,788	21,877
8,907	8,283	8,038	7,250	7,441	6,952	6,524
6,190	5,761	5,448	5,294	5,228	5,124	4,967
373	366	363	359	350	346	344

Revenue (IN MILLIONS OF DOLLARS)



Expenses (IN MILLIONS OF DOLLARS)



Statistics for the past 10 years

(IN THOUSANDS OF DOLLARS)

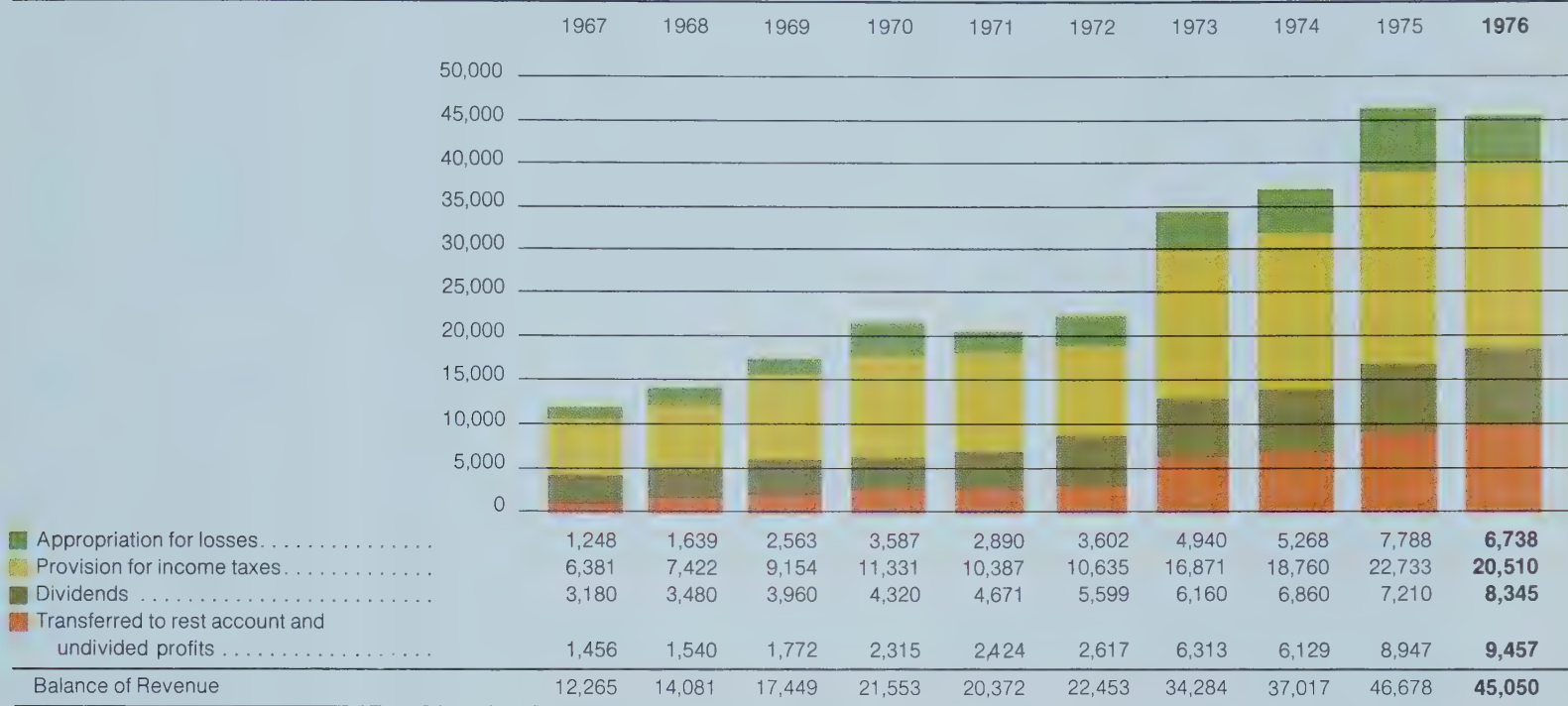
Assets and Liabilities

	1976	1975	1974
Assets			
Cash	660,767	592,624	458,053
Securities	748,855	804,057	746,195
Loans	4,061,410	3,296,369	2,772,001
Bank premises (net)	41,749	36,113	31,115
Acceptances, guarantees and letters of credit	156,824	137,614	113,308
Other assets	5,152	5,194	5,196
Total	5,674,757	4,871,971	4,125,868
Liabilities			
Deposits	5,259,970	4,528,127	3,824,982
Acceptances, guarantees and letters of credit	156,824	137,614	113,308
Other liabilities	12,590	8,770	7,950
Accumulated appropriations for losses	52,970	40,956	32,071
Debentures issued and outstanding	60,000	45,000	45,000
Shareholders' equity	132,403	111,504	102,557
Total	5,674,757	4,871,971	4,125,868
Statement of Accumulated Appropriations for Losses			
<i>Accumulated appropriations at beginning of year</i>	40,956	32,071	36,384
<i>Additions (deductions) during year:</i>			
Appropriations from current year's operations	6,738	7,788	5,268
Loss experience on loans less provision included in other operating expenses	1,498	(7,086)	(2,069)
Profits and losses on securities, etc.	1,912	2,799	(8,150)
Other profits, losses and non-recurring items, net.	(1,136)	(1,001)	(3,457)
Credit (or provision) for income taxes	3,002	6,385	4,095
Transferred to undivided profits	—	—	—
	12,014	8,885	(4,313)
<i>Accumulated appropriations at end of year:</i>			
General	45,368	37,016	29,280
Tax-paid	7,602	3,940	2,791
Total	52,970	40,956	32,071
Number of shareholders	9,970	9,329	8,990
Number of employees	7,730	7,241	6,759
Number of branches	413	399	385

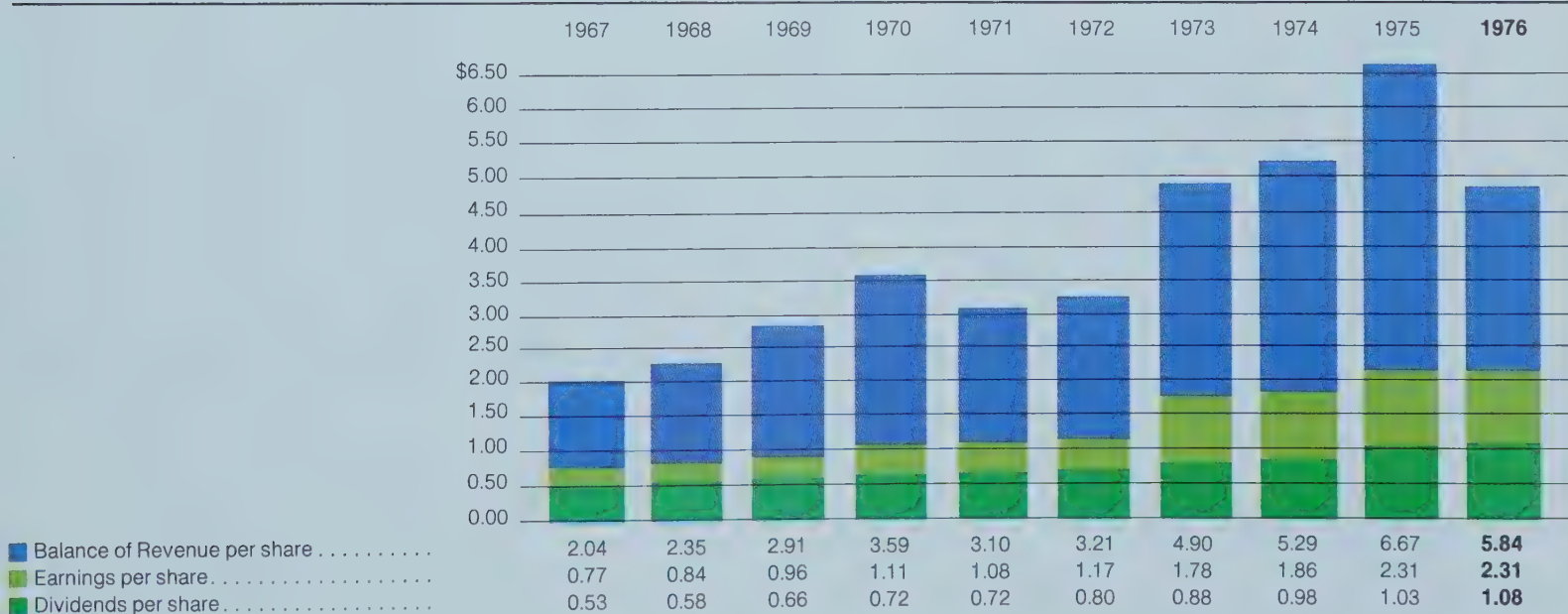
NOTE

Figures for the financial years 1967 to 1972 inclusive have been reclassified in accordance with stipulations of the new Bank Act, ratified March 23, 1967, and subsequently amended effective October 30, 1973.

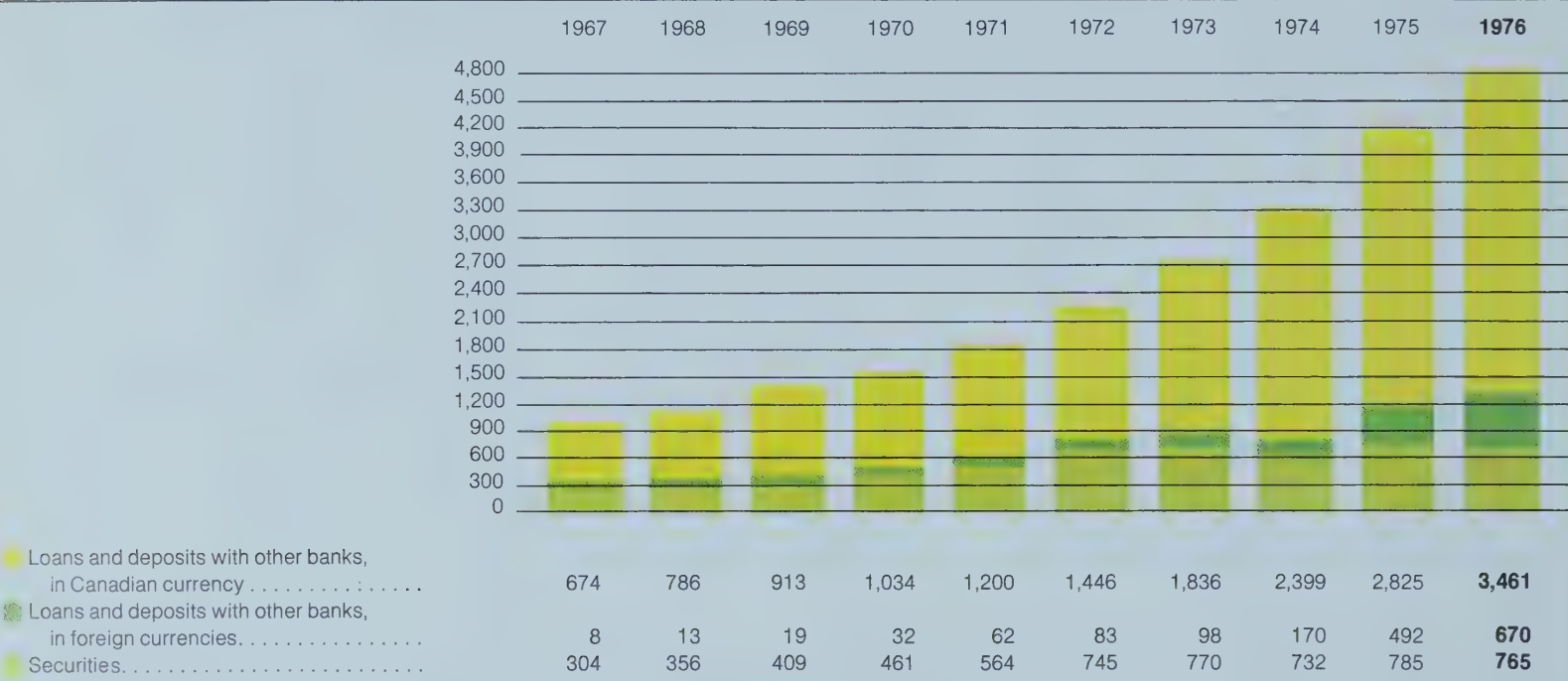
Distribution of Balance of Revenue (IN THOUSANDS OF DOLLARS)



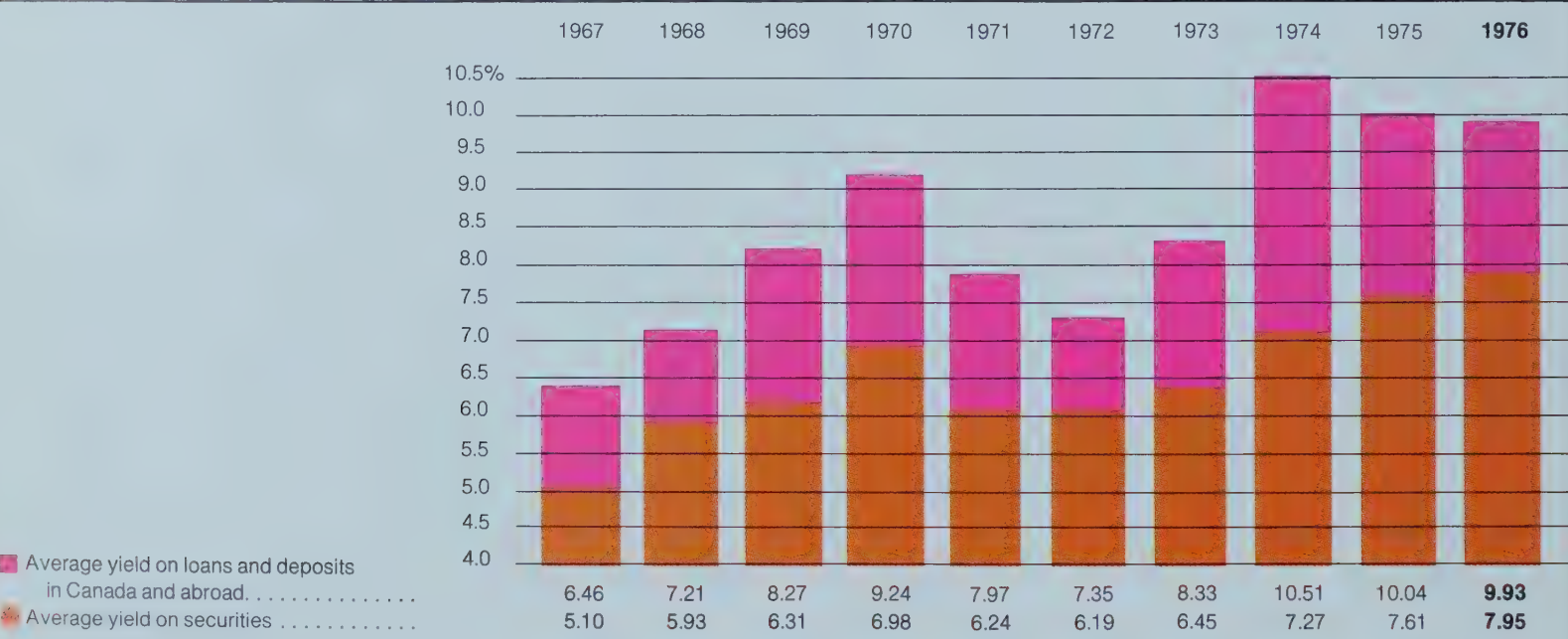
Earnings and Dividends per share (IN DOLLARS)



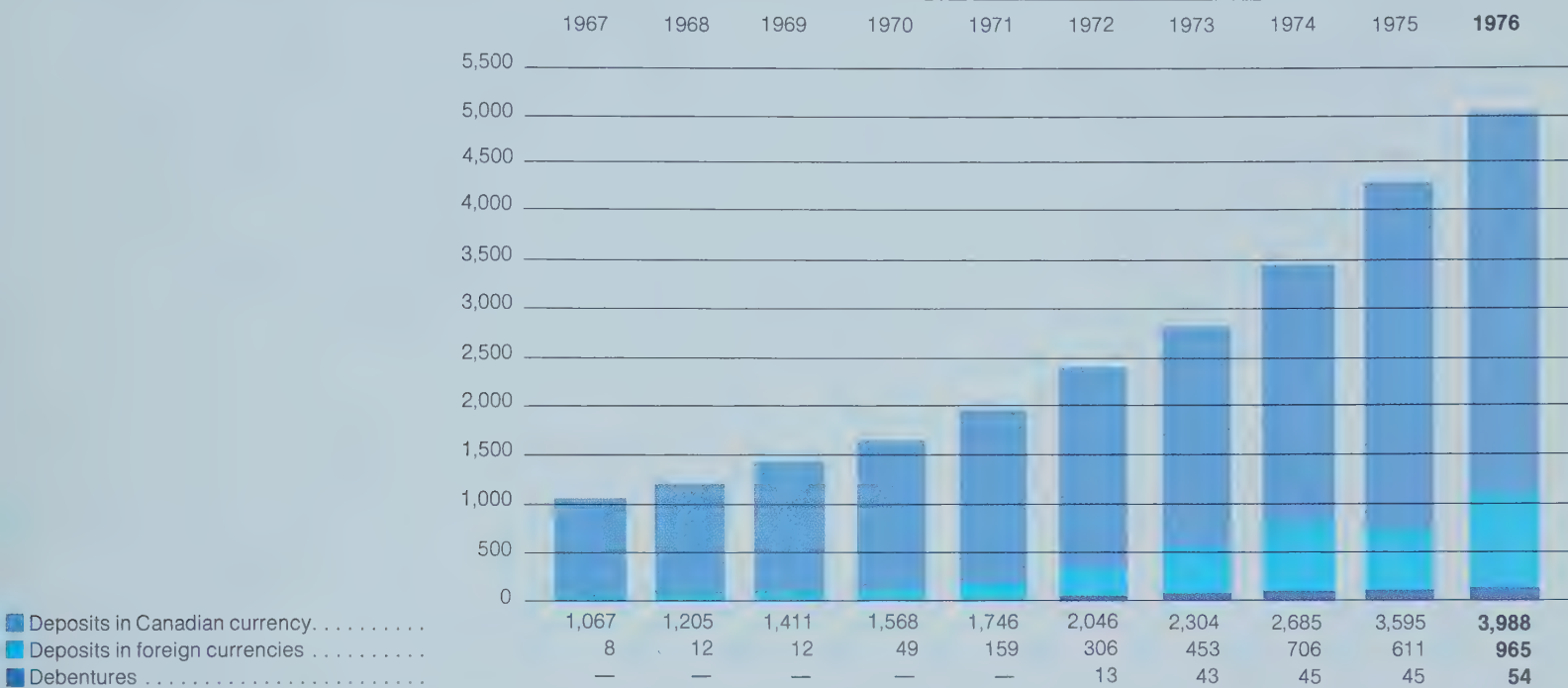
Average of Principal Producing Assets (IN MILLIONS OF DOLLARS)



Average yield on Principal Producing Assets



Average value of Deposits and Debentures (IN MILLIONS OF DOLLARS)



Average Interest Rate Paid on Deposits and Debentures



Board of Directors

(DECEMBER 9, 1976)

Chairman of the Board

*Louis Hébert, Montréal

President and Chief Executive Officer

*Germain Perreault, Montréal

Executive Vice-President and Chief General Manager

Jacques Douville, St. Lambert

Vice-Presidents

*Wilbrod Bherer, Québec	Bherer, Bernier, Loubier, Côté, Ouellet, Huot, Houle & Cantin, Advocates
*Roger Larose, Montréal	Vice-Chairman of the Board, Ciba-Geigy Canada Limited

Michel Baribeau, Lévis.	President and General Manager, Industries Baribeau Inc.
J.-Jacques Beauchemin, Montréal	President, Sullivan Mining Group Ltd.
Laurent Beaudoin, Valcourt	President, Bombardier M.L.W. Ltd.
Hon. Rhéal Bélisle, Ottawa	Company Director
*André Charron, Montréal.	President, Lévesque, Beaubien Inc.
Jean Charton, Montréal	President, Herdt & Charton (1971) Inc.
*Georges-O. Clermont, Montréal	Chairman, Clermont Motor Limited
*Roger DeSerres, Montréal	President, Omer DeSerres Ltd.
Marc-H. Dhavernas, Montréal	President, Banque Canadienne Nationale (Europe)
Jacques Lagassé, Sherbrooke	Lagassé, Lagassé, Lagassé, Bessette & Carignan, Notaries
André Latreille, Montréal	President, Alta Construction (1964) Limited
Charles-E. Marquis, Québec	Chairman, Beaudet, Marquis
J.-Robert Ouimet, Montréal	President and General Manager, J. René Ouimet Enterprises Ltd. and Cordon Bleu Limited
Jean-Marie Poitras, Québec	President and Chief Executive Officer, The Laurentian Mutual Assurance Company
*Guy St-Germain, St. Hyacinthe	President and General Manager, The Commerce Group
Renault St-Laurent, Québec	St-Laurent, Monast, Walters, Gagné & Vallières, Advocates
Robert M. Schmon, Niagara-on-the-Lake	President and Chief Executive Officer, The Ontario Paper Co. Ltd.
Alfred Tourigny, Montréal	Chairman, Blue Cross of Québec
Louise B. Vaillancourt, Montréal	Company Director

*Member of the Executive Committee

Executive Officers

(JANUARY 1, 1977)

President and Chief Executive Officer

Germain Perreault

Executive Vice-President and Chief General Manager

Jacques Douville

Vice-Presidents and General Managers

Raoul Asselin

Jean Boulanger

Jean Barrett

Pierre Castonguay

Assistant General Managers

Yvon Beaupré

Claude Jasmin

Gérald Blais

Lionel Laprade

Raymond Bussi res

Pascal Laquerre

Yvan Desjardins

Claude Lorange

Claude Dieumegarde

Andr  J. Plagnol

Hubert Dunn

Claude Racicot

Pierre Gen t

G rard V zina

Olivier Hudon

Superintendents

Jacques Brassard

Luc Morin

Marcel C t 

Ga tan Parent

R mi Langlois

Jean-Paul Roy

Department Supervisors

Laurent Bastien

Marketing

G rard M. Beaulieu

Credit

Jean-Paul Borduas

Mortgage Loans

Maurice Bouchard

Business Development

Claude Chagnon

Branch Location

Paul Charlebois

Office Services

Michel Charron

Training

J.-Marcel Chaurette

Routine

J.-Herv  Ch nier

Security

Marcel Clermont

Data Processing (Montr al)

Jean C t 

Investments

Guy Delorme

Stationery

Ren  Dubord

Bank Premises

Jean-Guy Duquette

Credit (Qu bec)

A.-Guy Gauthier

Collection Department

Ren  Gouin

Accounting

Roger Grondin

Credit

Marcel Guay

Special Revenues

Bruno Guilbert

Systems Development

Jean Joly

Credit

Alain Labont 

Public Relations

Jules Lachance

Personal Loans

Alban Lalibert 

Organization & Methods

Claude Lemay

Personnel

Jean L pine

Inspection

Jacques L vesque

BCN Chargex

Yves Loslier

Credit

Pierre Mallette

Economic Research

Denis Mathieu

Credit

Yves Namy

Foreign Exchange and Money Market (International Division)

L o Ouellette

International Operations

J.-Robert Pelland

Budgets & Cost Analysis

Bernard Poitras

Clearing

Normand Poudrette

Credit

Camille Racine

Corporate Credit Development

Roger Reinhardt

Legal

Roger Roberge

Branch Leasing

Serge Simoneau

Data Processing (Qu bec)

Michel Tessier

International Loans and Business Development

Jean Verdon

Advertising

Assistant Superintendents

Yvon S guin

Claude Viel

District Managers

R al Beaudoin

Roland Meunier

Lionel Boivin

Bernard Millette

Jacques Campbell

Jean-Louis Racine

Raymond Dallaire

Germain Salois

Yvon Dufour

Lucien Tessier

Guy Filion

Marcel Verret



VENTURE

The many services a bank offers are ultimately destined towards one objective: to maximize profitability for its shareholders.

To achieve this, a bank must widen its scope of activities, not merely by responding to customer needs in a direct, competitive manner, but by anticipating them as well.

To assert its increasingly important role in the business world and be in the vanguard of banking methods, the BCN has set priorities. As a result, it has given special attention to specific departments.

As you will note on the following pages, the *International Division* and the *Corporate Credit Development Department* have greatly contributed to the expansion of the BCN this year.



On the World Scene: The International Division

"...we are justly proud of the dividends brought by the energy and human resources invested over the last four years in the complete reorganization of our International Division. As proof, let me just cite the contribution of our international operations to the Bank's balance of revenue, a contribution which has climbed from 11 per cent last year to 17 per cent at the end of this fiscal year."—Mr. Jacques Douville.

The goal of the BCN's international activity is unequivocal. We intend to gain the largest possible share of the market as quickly as possible, and establish ourselves in a dynamic and permanent way on all five continents.

It is estimated that the investment requirements of the Canadian economy in the next ten years may well exceed \$80 billion. Where shall we find all this capital to develop our resources and create new industries? Inevitably, a good share of this money must come from abroad.

Thus the BCN conceives its international role as one of financial intermediary in projects calling for large-scale investment. In a broader sense, the Bank acts as financial agent between borrowing countries and the world's major money markets.

For several years, the Bank has been successfully performing this role. For certain large-scale projects, the BCN has participated with other institutions in major financial syndicates. Moreover, the growth in the Euro-currency market has speeded up the financing of both

Euro-credits and import-export transactions.

The next few years will doubtless see the continued growth of the import-export sector. Our country, now essentially an exporter of raw materials and importer of finished products, will inevitably develop its manufacturing industries as a result of the huge investments predicted in the next decade.

With these developments in mind, the BCN has been active during the last few years in opening up this sector for the benefit of its Canadian customers. To facilitate its customers' international transactions and operate efficiently on a world-wide scale, the Bank has set up three departments within the International Division.



Front row, left to right: Messrs. Michel Tessier, Laval Y. Boily, Pierre Castonguay, Pierre Genêt.
Back row: Messrs. Léo Ouellette, André J. Plagnol, Lee Shaw, Yves Namy.



The New York Agency

International Loans and Business Development Department

This department has been given the task of broadening the BCN's business relations with the world's most important financial institutions, governmental agencies and private companies. It is also responsible for developing and managing the Bank's international loans and for promoting our international services, which is often done in connection with the import-export activities of Canadian companies. The department keeps abreast of the latest international developments with up-to-date economic and political data on each of the countries doing business with the Bank.

Foreign Exchange and Money Market Department

This department has two main jobs. First, it borrows on the world market the amounts needed to cover the Bank's portfolio of foreign currency loans and manages the Bank's liquidity in various currencies. Secondly, as part of our growth strategy on the international front, it enlarges our corporate clientele by offering expertise in foreign exchange and money markets.

International Operations Department

This department is an indispensable part of our International Division and is essentially responsible for the transfer of funds, guarantees and confirmations on behalf of clients. Its clientele includes branches—acting for their own customers—our agents throughout the world and the two other departments of the Division. In a sense, it functions as a channel for all the Bank's international communications.

The Contribution of the International Division

Clearly, the expansion of the International Division benefits BCN as a whole. In addition to its contribution to the balance of revenue, the Division puts the Bank in a strong position on the international financial scene, particularly through strategic alliances between lenders and borrowers.

The BCN's international activity is not directed exclusively toward the immediate profitability of international loans. In a more meaningful way, it seeks to maximize the contribution of the International Division to all the Bank's activities.



On the National Scene: Corporate Credit Development

"...our total of industrial and commercial loans grew by 21.2 per cent during the year, in spite of a rather slow economic recovery. No doubt some of the credit for this growth is due to the constant efforts of our Corporate Credit Development Department, which is continuously gaining new customers among small and medium-size companies." — Mr. Jacques Douville

Although it represents a relatively new direction for BCN, our Corporate Credit Development Department is already making a significant contribution to both profits and growth. It analyzes the development of industry and business in Canada and also stimulates this development through its numerous contacts with businessmen and the wide range of services it has to offer. These include operating credits, medium-term loans to finance expansion, interim financing, commercial letters of credit, letters of guaranty and investment services, to name but a few.

Members of the staff of the Department often visit the site of a new project so that they can evaluate it better and offer more useful advice. In many cases, the Department goes beyond its role of adviser and participates in projects as principal investor.

Experience has shown that a company thinking of expanding its activities in Canada may have as great a need for expert advice as for money. Thanks to the Corporate Credit Development Department, the BCN can offer both with equal competence.

The BCN also offers current and prospective customers recognized expertise in the area of company mergers and sales. In many ways, the Corporate Credit Development Department has become a major resource for the Bank and for its clientele.



Left to right: Messrs. Hubert Dunn, Marcel Martin, Jacques Cadieux, Pierre Favreau, Gilles Chapleau.

List of Branches

413 BRANCHES AND 70 AGENCIES IN CANADA

Address Manager*

Montréal Island

Main branch:	
500 Place d'Armes	Y. Beaupré
Beaubien and Bordeaux	R. Désilets
Beaubien and Chambord	G. Laflamme
Beaubien and de Chateaubriand	J.-P. Giguère
Beaubien and Molson	F. de Grosbois
Beaubien and St. Michel	J.-M. Touchette
Bélanger and Iberville	A. Chaput
Bélanger and Papineau	G. Gagnon
Bélanger and 43rd Avenue	R. Bérard
Bellechasse and 39th Avenue	A. Pagé
Centre and Jardin	G. Ste-Marie
Côte des Neiges and Kent	A. Charuest
Côte des Neiges and Lacombe	F. Lamothe
Crémazie and St. Denis	R. Champagne
Dandurand and 14th Avenue	A. Cartier
Darlington and Goyer	J.-M. Laviguer
Décarie and Notre Dame de Grâce	H.-P. Pérusse
De l'Église and Laurendeau	S. Frenette
Dorchester and University	P. Leduc
Fleury and de Laroche	G. Marchand
Fleury and Lile	J.-G. Constantineau
Fleury and Papineau	F. Rinaldi
Gouin and Berri	L.-R. Julien
Gouin and Chevalier	R. Provencher
Henri Bourassa and de Lorimier	G. St-Vincent
Henri Bourassa and Jeanne Mance	A. Rivest
Hochelaga and Cadillac	A. Therrien
Hochelaga and Mousseau	G. Massicotte
Hochelaga and Pie IX	R. Rhéaume
Jarry and Champagneur	D. Morin
Jarry and St. André	J. Sauriol
9351 Lajeunesse St.	G. Cormier
Laurier and Papineau	P. Morissette
Marché Central and Métropolitain	F.-F. DeMontigny
Masson and 6th Avenue	V. Boutin
Monk and Allard	P. Forand
Monk and Jolicoeur	P. Desrosiers
Mont Royal and de Lorimier	M. Poirier
Mont Royal and Garnier	Y. Bourgeois
Notre Dame and de Beauvillage	P. Maheu
Notre Dame and Station	N. Martin
Ontario and Fullum	J. Bérubé
Ontario and Joliette	J.-G. Giroux
Ontario and Papineau	G. Jutras
Ontario and Pie IX	R. Tremblay
Papineau and Everett	G. Carrière
Du Parc and Laurier	J.-C. Gagné
Du Parc and St. Viateur	C. Vassilopoulos
Pie IX and Bélair	T. Dupont
Pie IX and 39th Street	R. St-Arnault
Place Bonaventure	G. Geoffrion
President Kennedy and University	G. Tremblay
Queen Mary and Décarie	B. Couture
Rachel and de Lorimier	A. Trudel
Rivière des Prairies and 4th Street	A. Poulin
Rosemont and Louis Hébert	G. Ruel
St. Catherine and Dufresne	A. Khalo
St. Catherine and LaSalle	J.-P. Ouellet
St. Catherine and Metcalfe	J.-P. Rhéaume
St. Catherine and St. Denis	D. Fortin
St. Catherine and St. Marc	F. Veilleux
St. Catherine and Théodore	P. Laviguer
St. Catherine and Wolfe	G. Côté
St. Denis and de Castelneau	F. Bélanger
St. Denis and St. Antoine	G. Touchette
St. Denis and Jarry	J.-M. Gélinas
St. Denis and Mont Royal	J.-P. Émond
St. Denis and Roy	E. Saad
St. Hubert and Bélanger	A. Desjardins
St. Hubert and Cherrier	R. Poulin
St. Hubert and Villeray	G. Giroux
5140 St. Hubert St.	Y. Bergeron
St. Laurent and Crémazie	S. Trudel
St. Laurent and Dante	L. Berardinucci
St. Laurent and Fleury	L. de G. Ponton
St. Laurent and Laurier	M. Cameron
St. Laurent and Lightall	J.-G. Cédras
St. Michel and Jean Talon	G. Lanthier
St. Michel and 39th Avenue	L. Boucher
St. Paul and St. Claude	M. Malette
De Salaberry and Pasteur	F. Boucher
Sherbrooke and Benny	F. Landry
Sherbrooke and du Parc	L. Dussault
Sherbrooke and Repentigny	D. Malo
Sherbrooke and Stanley	Y. Barsalou
Somerled and Cumberland	R. Gignac
Tour de la Bourse	A. Castonguay
Anjou	
Chatillon and Merriam	R. LaBranche
Les Galeries d'Anjou	
Shopping Center	G. Montanarini
Dollard des Ormeaux	
4599 des Sources Blvd.	R. Provost
St. Jean and Shakespeare	R. Lorange
Dorval	J.-P. Lafrance
Lachine	
Centrale and 6th Avenue	A. Perrier
Centrale and 45th Avenue	G. Beaulieu
Newman and Lise	C. Daigneault
Notre Dame and 10th Avenue	J.-M. Forget
Provost and 6th Avenue	R. Perreault
Montréal North	
Gouin and Hénault	C. Beauchamp
Henri Bourassa and Rolland	R. Messier
L'Archevêque and Charleoi	R. Lapierre
Léger and Désy	C. Beaulieu
Monselet and Laurentides Blvd.	B. Millette
St. Michel and Fleury	A. Presseau
Mount Royal	G. Bouchard
Outremont	
Bernard and Outremont	R. Castonguay
Laurier and de l'Épée	G. Ménard
Pointe aux Trembles	
Carrefour de la Pointe	J.-C. Blais
Notre Dame and St. Jean Baptiste	J. Mireault
Pointe Claire	
Bord du Lac and St. Joachim	G. Potvin
Donégani and Lucerne	M. Lavergne
Roxboro	A. Langevin
Ste. Anne de Bellevue	R. Coutu
St. Geneviève	G. Boileau
St. Laurent	
Côte de Liesse and Authier	D. Delle Donne
Décarie and Côte Vertu	P. Venne
De l'Église and St. Germain	F. Downs
St. Léonard	
Jarry and Chamilly	G. Lachance
Jean Talon and Lacordaire	R. Labelle
Lacordaire Shopping Center	J.-C. Delorme
Langelier and Belherbe	R. Vary
St. Pierre	R. Graindier
Verdun	
Wellington and de l'Église	U. Jolicoeur
Wellington and LaSalle	P. Delorme
Wellington and 5th Avenue	J. Courteau
Westmount	P. Van Meerbeeck

Québec City and suburbs

De la Canadière and Champfleury	J.-M. Garneau
380 Charest Blvd. E.	J. Nerron
Place des Chênes	R. Roberge
Des Érables and St. Cyrille	J.-M. Martel
500 Grande Allée E.	B. Plamondon
Masson and de Musset	G. Proulx
St. Foy and Holland	M. Houle
St. Jean and Chauveau	Y. Lefebvre

St. Jean and St. Marie	E. Langlois
878a St. Jean St.	R. Paquette
385 St. Paul St.	A. Paradis
St. Pierre and St. Antoine	C. Gagné
St. Vallier and Marie de l'Incarnation	R. Paquet
St. Vallier and St. Ambroise	N. Mondor
1st Avenue and des Peupliers	J.-G. Lainé
1st Avenue and 18th Street	A. Fortin
1266 3rd Avenue	J.-C. Bégin
3rd Avenue and 5th Street	J.-M. Bouchard
Ancienne Lorette	R. Boucher
Beauport	R. Tremblay
Charlesbourg	
Régional Jadis Center	H. Gagnon
1st Avenue and Trait Carré	R. Huot
Giffard	R. Laroche
Loretteville	G. Vincent
Montmorency	D. Grenier
Neufchâtel	R.-M. Lamontagne
Orsainville	M. Martel
St. Foy	
2779 Laurier Blvd.	J.-B. Roy
Place Laurier	M. Talbot
Place des Quatre Bourgeois	L. Bilodeau
St. Foy and Myrand	J. Giguère
2750 St. Foy Road	A. Latour
St. Louis and Laforest	J.-G. Gariépy
Sillery	P. Aubin
Vanier	Miss B.-A. Thérien

Province of Québec

Acton Vale	L. Beaumont
Alma	F. Verreault
Amos	M.-E. Girard
Asbestos	R. Gosselin
Bagotville	R. Rathé
Baie Comeau	F. Lecours
Baie St. Paul	R. Caron
Beauceville	J. Lizotte
Beauharnois	J.-M. Lefebvre
Beloil	
Richelieu and St. Mathieu	R. Plamondon
250 Sir Wilfrid Laurier Blvd.	C. Mailhiot
Berthierville	R. Gagnon
Bic	H.-G. Ouellet
Black Lake	J.-C. Carrier
Boucherville	G. Léveillé
Bromptonville	R. Boucher
Brossard	
Elvyse Shopping Center	P.-A. Vivier
2175 Lapinière Blvd.	J. Boissé
Cabano	R. Juneau
Cap aux Meules	J.-N. Canuel
Cap de la Madeleine	
35 Fusey St.	H.-J. Lemire
St. Madeleine and Vivier	J.-P. Caron
Cap Rouge	Y. Beaulieu
Carleton	R. Boutin
Chandler	M. Ouellet
Châteauguay	
102 d'Anjou Blvd.	G. Marleau
Principale and St. Antoine	R. Dorion
Chibougamau	S.-P. Lajoie
Chicoutimi	
Des Champs-Élysées and Mozart	R. Martel
Racine and Labrecque	R. Bolduc
Racine and St. Anne	R. Audet
Chicoutimi Nord	G. Bernatchez
Coaticook	J.-A. Caya
Contrecoeur	C.-E. D'Amours
Cowansville	J.-C. Gaudette
Daveluyville	J.-M. Dubé
Delson	V. Roussel

Deschailions G.-H. Pearson
Dolbeau J. Duval
Donnacona J.-E. Plamondon
Dorion
188 Harwood Blvd. D. Lamothe
St. Charles and Brodeur Y. Beaulieu
Drummondville
Marchand and Lindsay L. Routhier
Place Drummond Y. Martineau
East Broughton Station A. Gauthier
Farnham M. Thériault
Ferme Neuve J. Trudel
Fermont M.-H. Blanchette
Forestville R.-M. Roberge
Gaspé E. Morency
Gatineau C. Hugo
Gracefield R. Lambert
Granby
424 Principale St. Y. Poirier
Principale and Centre M. Poulin
Grand Mère M. Constant
Grande Rivière C. Desrosiers
Hauterive
Manicouagan Régional Center M. Gagnon
921 de Puyjalon St. G. Lavoie
Hudson J. Henri
Hull
Place Fleur de Lys E. Morin
1 Place du Portage L. Lemay
Principale and Eddy C. Boudrias
St. Joseph and Laramée R. Belzile
Iberville P.-E. Pronovost
Ile Bizard U. Brunet
Joliette A. Ducharme
Jonquière
Arvida Shopping Center Y. Touzin
351 Davis St. A. Naud
100 Harvey Blvd. E. C. Rodrigue
King George and St. Famille R. Rivard
La Guadeloupe H. Legendre
La Malbaie R. Bérubé
L'Annonciation 'S. Coutu
La Pocatière J.-L. Côté
La Prairie
412 St. Elisabeth Blvd. R. Séguin
222 St. Ignace St. F. Themens
La Sarre J.-Y. Deslauriers
L'Assomption P.-E. Philibert
La Tuque G. Labelle
Lauzon J. Néron
Laval
Auteuil M. Delorme
Chomedey
Curé Labelle and 75th Avenue G. Marano
Notre Dame and Elisabeth L. Bourgeois
3965, Saint Charles Blvd. L. Forget
Duvernay R. Couture
Fabreville A. Leclaire
Laval Ouest G. Brouillard
Laval des Rapides P.-P. Thériault
Pont Viau
des Laurentides and de la Concorde L. Daly
des Laurentides and Lévesque Y. Hébert
Sainte Dorothée R. Girard
Sainte Rose R. Dubois
Saint Vincent de Paul C. Houle
Lévis R. Dallaire
L'Islet sur mer L. Lefrançois
Longueuil
1346 Chambly Road M. Milot
Désaulniers and St. Hélène Y. Lussier
Guimond and de la Province A. Laplante
Place Désormeaux G. Marcoux
St. Charles and St. Alexandre R. Payette
Lorraine V. Lavergne
Lorrainville J. Gagnon
Louiseville M. Balleux
Magog R. Parent
Malartic C. Lessard
Marieville G. Barrett
Matagami J. Fortier
Matane C. Gauthier
McMasterville J.-L. Filiatreault
Métabetchouan P.-E. Deschênes
Mistassini G. Prémont
Montebello H. Smith
Mont Joli D. Pelletier
Mont Laurier D. Brousseau

Montmagny
Mont St. Hilaire
Nicolet
Normandin
Paspébiac
Plessisville
Pont Rouge
Port Alfred
Portneuf
Princeville
Rawdon
Repentigny
174 Notre Dame St.
489 Notre Dame St.
Richmond
Rigaud
Rimouski
de la Cathédrale and St. Jean
70 St. Germain St. E.
318 St. Germain St. W.
Rivière du Loup
Lafontaine and Beaubien
530 Lafontaine St.
Roberval
Rouyn
Roxton Falls
St. Adèle
St. Agathe des Monts
St. Anne de Beaupré
St. Anne des Monts
St. Anne de la Pérade
St. Anselme
St. Augustin
St. Bruno de Montarville
St. Camille
St. Casimir
St. Charles
St. Claire
St. Constant
St. Damasse
St. Damien de Buckland
St. Eustache
279 Arthur Sauvé Blvd.
St. Eustache and de la Banque
St. Félix
St. Félix de Valois
St. Gabriel
St. Georges
St. Georges W.
St. Henri de Lévis
St. Hubert
3228 Grande Allée
St. Hubert Shopping Centre
St. Hyacinthe
Girouard and St. Denis
St. Anne and Duvernay
St. Simon and Cascades
St. Jacques
St. Jean
Les Galeries Richelieu
Richelieu and St. Jacques
St. Jérôme
Carrefour du Nord Shopping Center
405 Labelle St.
950 Labelle St.
75 de Martigny W.
Montigny and St. Lucien
St. Joseph
St. Jovite
St. Lambert
St. Marie
St. Martine
St. Nicolas
St. Ours
St. Pacôme
St. Pamphile
St. Pie
St. Prosper
St. Raymond
St. Rémi
St. Romuald
St. Sauveur des Monts
St. Scholastique
St. Thérèse

L.-P. Gauthier
G. Ouellet
L. Dionne
R. Gaudreault
P.-E. Gamache
J.-Y. Laflamme
G. Turcotte
J. Gagné
G. Lessard
C. Bergeron
A. Hébert
J.-L. Faubert
J.-N. Trudeau
A. Joyal
G. Caouette
J.-C. Lebel
G. Dionne
G.-D. Sévigny
Y. Pelletier
R.-B. Tremblay
H. St-Amand
C. Dallaire
M. Morin
L. De Carufel
R. Lynch
J.-M. Lavergne
R. Dumas
Y. Mondou
G. Desrochers
C. Martineau
R. Denault
A. Drouin
V. Tessier
J.-G. Desjardins
L.-J. Girard
J. Aubertin
J. Dutilly
M. Larivière
M. Grisé
G. Cusson
G. Girard
P. Morin
R. Dumas
W. Carrier
B. Rouillard
G. Melançon
R. Guillet
P.-A. Lalanne
P.-E. Maynard
G. Labossière
P.-P. Deslandes
G. Trotter
J.-C. Beauchemin
R. Lestage
S. Plouffe
M. Lafrenière
F. Philibert
E. Ménard
C. Fortier
R. Lessard
C. Jolin
E. Perron
A. Ruel
J. Tétrault
J.-G. Lefrançois
P. Normand
J. Darveau
A. Bouchard
A. Melançon
F. Carpentier
A. Leboeuf
T. Laforest
B. Larrivière
A. Godin
G. Lafleur
J. Lussier

St. Tite
Senneterre
Sept Îles
455 Arnaud Ave.
Place des Cormiers
Shawinigan
692 5th Street
1679 St. Marc Ave.
St. Marc and Frigon
Sherbrooke
105 8th Avenue N.
602 Galt St. W.
29 King St. E.
King and Clark
Wellington and Meadow
Sorel
Terrebonne
857 St. Pierre St.
Des Seigneurs and Quimet
Thetford Mines
94 Notre Dame St. S.
917 Notre Dame St. N.
Tracy
Trois Pistoles
Trois Rivières
Des Forges and Hart
Royale and Laurier
992 St. Maurice St.
Valcourt
Val d'Or
Valleyfield
Grande Île and du Havre
St.Cécile and Nicholson
Vaudreuil
Victoriaville
Carrefour des Bois Francs
123 Notre Dame St. E.
Ville de l'Île Perrot
Ville Marie
Wakefield
Warwick
B. Vincent
L. Archambault
R. Dufour
C. Gagnon
M. La Haye
G. Sicard
Y. Marceau
E. Pruneau
G. Vachon
R.-P. Dallaire
J. Marceau
J. Matte
B. Tétrault
R. Crevier
G.-E. Dauplaise
B. Lemay
C. Gervais
P. Bélanger
R. Paradis
D. Bousquet
J.-G. Doucet
J. Britten
M. Bourgault
L.-P. Thérberge
G. Caron
M. Parent
L. Fortin
R. Girard
J.-L. Lareau
Y.-A. Julien
R. Sénéchal
D. Richard
R. Giguère

Ontario

Bourget
Casselman
Cornwall
Hamilton
Hawkesbury
L'Orignal
Orléans
Ottawa
Bank and Erie
Besserer and Nicolas
Dalhousie and St. Patrick
Elgin and MacLaren
L'Esplanade Laurier
Sturgeon Falls
Sudbury
Lisgar and Elm
Notre Dame and King
Timmins
154 3rd Avenue
Timmins Square Shopping Center
Toronto
Vanier
46a Beechwood Ave.
River Road and McArthur
Vankleek Hill
Verner
Welland
Weston
Windsor
J.-G. Hurtubise
G. L'Écuyer
F. Gaumond
C. Gaulin
G. Montpetit
M. Leclerc
J.-Y. Landriault
D. Bourret
J.-P. Lefebvre
J.-P. Émard
L. Lalonde
R. Dupuis
E. Landry
J.-R. Paquette
V. Désormiers
J.-R. Lafontaine
L. Hevey
H. Pelland
J.-P. Roy
J.-R. Thibault
D. Brosseau
G. Bourget
Y. Lefebvre
G. Bertrand
B. Charron

Manitoba

St. Jean Baptiste
St. Pierre
Winnipeg
Bestlands Building
Carlton and St. Mary
Provencher and St. Joseph
Taché and Dollard
M. Beaudet
R. Gobeil
C. Désautels
R. St-Amant
R. Rivard
G. Roy

*As at December 1, 1976

International Ventures

By virtue of its world-wide network, which includes a subsidiary in Paris, offices in London and New York, and some 2,500 correspondents, Bank Canadian National reaches out to all five continents. Our International Loans and Business Development Department thus keeps in touch daily with areas where important projects are likely to require large-scale investment.

At the same time, the financial experts in our Foreign Exchange and Money Market Department negotiate investments worth many millions every day in various parts of the world.

Through these international ventures Bank Canadian National extends its sphere of activities around the globe, wherever economics indicate a profitable transaction for its shareholders and clients.

MONTREAL

Head Office
500 Place d'Armes
Pierre Castonguay, Vice-President and General Manager
Pierre Genêt, Assistant General Manager.

Tel.: Montréal (514) 281-2409
New York (212) 541-7858

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BCN INTERIM STATEMENT FOR

HALF-YEAR ENDED APRIL 30, 1976

We are pleased to submit the unaudited interim statement of the Bank Canadian National as at April 30, 1976.

Our assets totalled \$5,272,723,000 at the end of this latest six-months period, an increase of 18.8% over the April 30, 1975, figure.

Balance of revenue after provision for income taxes was \$11,985,204, compared with \$10,958,539 for the corresponding period last year, representing an increase of 9.4%. This is equivalent to earnings of \$1.61 per share, based on the average month-end balance of 7,462,776 shares of capital stock, compared with \$1.57 per share on 7,000,000 shares at the end of the first half of the 1975 financial year.

These results must be viewed as satisfactory, considering the encouraging but still slow-paced economic recovery, as well as the recent rise in interest rates and the restrictions imposed by the Anti-Inflation Act. Our operating expenses have increased a little more rapidly than our revenue, reflecting the inflationary pressures which continued to be felt during these past six months. Nevertheless, the overall picture leads us to believe that our results for 1976 as a whole will be slightly better than those for 1975.

<u>6 months ended April 30</u>	<u>1976</u> (in thousands of dollars)	<u>1975</u>
Deposits	4,891,972	4,079,001
Investments	752,911	727,555
Loans	3,755,217	3,019,682
Assets	5,272,723	4,438,326

Bank Canadian National assets totalled \$5,272,723,000 as of April 30, 1976, an increase of 18.8% over the 1975 first half figure of \$4,438,326,000.

The interim statement for the first six months of the current financial year reported an \$11,985,204 balance of revenue after provision for income taxes, compared with \$10,958,539 for the corresponding period in the 1975 fiscal year. On a per-share basis, this year's balance was equivalent to \$1.61, compared with \$1.57 last year.

Total revenue for the half-year under review was \$239,396,904, showing an increase of \$30,356,029 over the corresponding period last year.

Income from securities was \$29,697,282 in the first six months of this year, compared with \$29,934,950 in the comparable 1975 period.

Income from loans was \$193,764,171, an increase from last year's \$164,789,278. Other operating revenue totalled \$15,935,451, compared with \$14,316,647 for the first half in 1975.

Total expenses reported for the six months were \$217,325,700, against last year's \$187,285,517. These figures include interest paid on deposits and debentures, which increased to \$147,950,810, compared with \$131,040,220 in the corresponding period of 1975.

Dividend payments to shareholders for this year's first half were \$4,036,194, against \$3,500,000 a year ago.

